

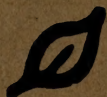
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Cotton Trade Tariff Reform Assocn.
[Report ...]

COTTON

and

Tariff Reform.



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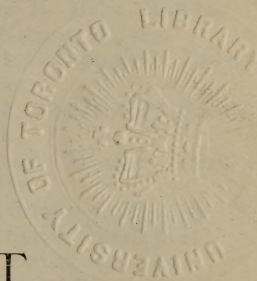
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THE COTTON TRADE TARIFF REFORM ASSOCIATION

Reprint of a
REPORT

OF THE COUNCIL

October 29, 1910.



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REPORT OF THE COUNCIL TO THE MEMBERS OF THE COTTON TRADE TARIFF REFORM ASSOCIATION UPON THE COTTON INDUSTRY AND ITS RELATION TO FISCAL REFORM.

(1) The formation of the Cotton Trade Tariff Reform Association shows that there is a large, growing, and influential body of cotton spinners and manufacturers and those engaged in allied trades who unhesitatingly and unequivocally condemn the present fiscal system of this country. They maintain that the free importation of manufactured cotton goods is in a high degree prejudicial to the cotton industry of this country, and that it constitutes a serious and increasing obstacle to its expansion and prosperity. They further maintain that the chief remedy for the unsatisfactory conditions now prevailing in the trade is a reform in our fiscal system to include means for tariff negotiation with foreign countries and the establishment of mutual preferential arrangements between the various States composing the British Empire.

(2) It has been said that the cotton trade is hostile to Tariff Reform. There is, however, no ground for this assertion, for no pronouncement has been made by any association entitled to speak either on behalf of the trade as a whole or any section of it.

(3) It is certainly true that seven years ago certain gentlemen passed a resolution in favour of Free Trade, and that their action has been put forward in proof of the assertion that the cotton trade is practically unanimous in its support of the present fiscal system. These gentlemen had, however, received no special mandate, and their resolution possesses therefore no authority, for it deals with a question outside the statutory objects of the Cotton Employers' Associations. The policy of these associations has ever been that "cotton knows neither politics nor

difference of party," and for these reasons the resolution in question has been emphatically repudiated both by Free Traders and Tariff Reformers alike.

CAUSES AND EFFECTS.

(4) The Council dissents entirely from the assertions of Free Traders—firstly, that cheapness of production, upon which they allege the prosperity of the cotton trade depends, has been brought about by Free Trade; and, secondly, that Tariff Reform will increase the cost of production and so endanger the trade. On the contrary, it holds that cheapness of production in Lancashire has been due to natural advantage of climate and situation, and to the former fiscal policy of England, which brought her manufactures to a position of absolute predominance long before Free Trade was introduced. For many years after the adoption of Free Trade these initial advantages maintained Lancashire in a position of indisputable superiority over the rest of the world, and this notwithstanding the hostile tariffs of foreign countries. During the last thirty years, however, the tariff policy of these countries has been enormously elaborated, with the result that the stupendous growth of foreign manufactures has greatly increased the stress of competition.

(5) The Council maintains that:—

(i.) When thirty years ago our foreign competitors first began to seriously protect their own industries, the Lancashire cotton trade endeavoured to fight these hostile tariffs by persistent efforts to cheapen the cost of production, efforts which have sometimes involved actual or proposed reductions of wages, leading in many cases to costly and disastrous conflicts. The reduction of management and working costs became a fine art. Speed of machinery was increased and the weight of goods reduced to a minimum by the use of finer counts of yarn and more open textures. Some years ago experienced observers were forced to admit that not only was every step to reduce cost becoming increasingly difficult, but that a limit had been practically reached beyond which it was both undesirable and unprofitable to proceed. There is abundant evidence that the cost per yard of our piece goods reached the lowest point some years

ago. Since that time the cost of production has decidedly increased.

(ii.) It is indisputable that until thirty years ago the prosperity of the cotton trade depended mainly on the fact that we had an unrestricted world market.

(iii.) No measure which Tariff Reformers have in view will increase the cost of production.

(iv.) The recurring periods of short time working are due in a large measure to increasing foreign competition and the resulting industrial insecurity against which Free Trade provides no safeguard. Organised short time has become a normal feature of the Lancashire cotton trade. It has become more and more frequent, and must progressively increase the cost of production while diminishing employment. If this organised short time has resulted from the aggression of 75 million spindles, what is it going to be when aggressive competition has to be met from 100 million spindles and more!

(v.) The only way of increasing employment is to increase trade, and this can only be done by securing larger markets at home and abroad by a measure of Tariff Reform and Imperial Preference.

TESTS OF PROSPERITY.

(6) Prosperity in the cotton trade can only be tested by an examination covering a series of years of the takings of raw cotton, and of the quantities and values of the cotton manufactures produced, exported, and imported; and by comparing these results with those of other countries.

CONSUMPTION OF RAW COTTON.

(7) American cotton is the staple for Lancashire, and the following figures show its consumption in the great cotton consuming areas of the world.

CONSUMPTION OF AMERICAN COTTON.

AVERAGE ANNUAL CONSUMPTION FOR PERIODS OF FIVE YEARS.

	1878/9-1882/3.		1894/5-1898/9,		1904/5-1908/9.
	bales.		bales.		bales.
Great Britain ...	2,440,000	...	2,910,000	...	3,070,000
Europe	2,970,000	...	3,430,000	...	4,430,000
United States ...	1,870,000	...	3,030,000	...	4,700,000

Last year, 1908-9, Great Britain took *less* American cotton than she did in 1898-9, while Europe took nearly one million, and America nearly two million bales more than in 1898.

SPINDLES AND LOOMS.

(8) The opponents of Tariff Reform make much of the increase in the number of spindles and looms in this country, and it is desirable to bring this question into the light and to examine its exact bearing. Those who adduce this increase in our spindleage as proof of the prosperous and pre-eminent position of the Lancashire cotton trade utterly ignore the very exceptional conditions which prevailed when the last big increase took place, as well as the huge losses which have been sustained both by capital and labour as a result of the bad trade which has existed generally during a long series of years, with the sole exception of the boom period 1905-7. It is estimated that during the last three years the output has been reduced by one-fourth, and that the demand for our goods could therefore have been met with one-fourth fewer spindles and looms. The Free Trader further often talks as though there had been no increase of spindles and looms outside Great Britain, and when he does make a comparison he singles out some special country or countries to show that we have a great preponderance of spindles and looms, calmly ignoring the fact that *it is the machinery of the whole world with which Great Britain has to compete*. All Protected countries are now largely excluding our yarns and cloths in favour of their own manufactures, and several of them are now competing with us as exporters to external markets which do not supply their own wants. The figures of cotton spindles for this country and for the rest of the world were as follows in 1909 and in 1846, before the repeal of the Corn Laws and the Navigation Laws:—

	United Kingdom.		Rest of the World.	
1846	17,000,000	...	10,000,000	
1909	56,000,000	...	77,000,000	
<hr/>				
Increase	39,000,000	...	67,000,000	

(9) That Great Britain has need to "wake up" is seen not only from these figures, but also from the following table, which has been compiled from information given in the Third Fiscal Blue Book (Cd. 4954) published last year by the Board of Trade, and the Annual Trade Returns.

ANNUAL AVERAGES.

	1869-73	1879-83	1889-93	1899-1903	1904-8	Increase of last average over first.
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Population (in millions)

United Kingdom	32	35	38	42	44	12
France, Germany, and United States ...	117	134	152	173	185	68

Consumption of Raw Cotton (in thousand bales of 500lbs.)

United Kingdom	2,260	2,780	3,140	3,290	3,610	1,350
France, Germany, and United States ...	1,830	2,890	4,200	6,180	7,290	5,460

United Kingdom Exports and Imports of Cotton Manufactures* (excluding Yarns) (in thousand £).

Exports to France, Germany, Holland, Belgium and United States ...	8,812	6,422	5,039	6,702	7,711	Decrease 1,101
Imports from France, Germany, Holland, Belgium and United States...	1,293	2,374	2,540	5,020	5,101	Increase 3,808

* In the earlier periods in the Board of Trade Summary of Imports Cotton Lace did not appear, so Cotton Lace has been excluded from these figures throughout.

These figures of our export and import trade in cotton manufactures with these five countries show that our sales to them averaged on balance:—

	£
1869-73	7,519,000
1904-08	2,610,000
Decrease	<u>4,909,000</u>

So far as our trade with these countries is concerned, we sell them £1,101,000 less and buy from them £3,808,000 more, a total of £4,909,000 per annum. We are thus worse off than we were thirty-five years ago, to the extent, in round figures, of five million pounds sterling per annum.

On the basis of wages being estimated at 50 per cent. of the cost of an article, this represents a loss in wages to the cotton districts of £2,500,000 per annum, or, in other words, a wage fund equal to £100 per year for 25,000 workmen, which, on the average of five to a family, is equal to the maintenance of 125,000 persons. In the light thus afforded it surely is no matter for surprise that the numbers of the unemployed are large and increasing.

Our exports of cloth have been largely diverted from the richer to the poorer countries, to whom a fraction of a penny on the cheapest qualities that can be made is of serious importance, and who are utterly precluded from buying those superior cloths, the teaching of the production of which has involved the expenditure of huge sums in our technical schools for many years.

(10) The relative position of Great Britain is equally unsatisfactory as regards the number of persons engaged in the cotton industry, for while the figure for this country was 600,000 in 1901, an estimate based on the figures given for various countries in the Second Fiscal Blue Book (Cd. 2337, 1904), published by the Board of Trade, shows that the corresponding figure for the Continent and the United States must have been over 1,500,000.

(11) All these figures are striking, but they do not by any means tell the whole story, because for thirty years our rivals have enjoyed the enormous advantage of steady and constant employment, year in and year out.

(12) It is contended by some that the stationary rate of consumption of American cotton in this country, which has persisted in spite of the increase in spindles and looms and in the face of enormous increases in the consumption of the Continent and the United States itself, is compensated for by the increase in the proportion of finer counts spun in Lancashire. The tendency to finer counts cannot, however, explain all the features of the present situation, and when the fullest allowance is made for it there still remains much to be explained which must be due to other causes, of which the increase in short time is the one which claims most attention from those who are interested in the question of employment of labour.

So far as what are known in the trade as "fine counts" are concerned, the following figures of consumption of Egyptian and Sea Island cotton throw much light upon this matter.

AVERAGE ANNUAL CONSUMPTION OF
EGYPTIAN COTTON FOR PERIODS OF
FIVE YEARS.

	1878/9-1882/3.	1894/5-1898/9.	1904/5-1908/9
	bales.	bales.	bales.
Great Britain	235,000	314,000	412,000
Europe and United States	142,000	402,000	443,000

AVERAGE ANNUAL CONSUMPTION OF SEA
ISLAND COTTON FOR PERIODS OF
FIVE YEARS.

	1878/9-1882/3.	1894/5-1898/9.	1904/5-1908/9
	bales.	bales	bales.
Great Britain	17,660	37,060	22,830
Europe and United States	13,930	46,470	72,170

It is thus seen that in regard to American, Egyptian, and Sea Island cotton alike, Great Britain has lost her premier position as a consumer of the raw material.

(13) A further fact of grave significance is contained in the following figures of spinners' stocks which have been taken from the 1909 Report of the International Federation of Master Cotton Spinners.

SPINNERS' STOCKS OF RAW COTTON ON
AUGUST 31, 1908.

					Number of days'
Protectionist countries:					supply.
Germany	...	...	...	...	57
France	...	...	...	...	50½
Austria	...	...	...	...	90
Italy	...	...	...	...	75
Japan	...	...	...	...	76
Russia	...	...	...	...	90
United States	...	...	...	...	39
Free Trade:					
Great Britain	...	...	...	...	29½

It is clear from these figures that there is a very solid reason for the fact that Lancashire mills and Lancashire workers are always first to suffer from short time, for the country whose spinners hold the shortest supply will naturally be the first to feel the pinch when the cotton supply is short or prices are high.

(14) The increase in the use of cotton has thus been enormous and universal, and it is clear that the advantages which have accrued from this increased consumption have gone in the main to our foreign competitors, all of whom, be it noted, possess tariffs. The growth in the productive power of foreign countries has been accompanied, too, by a corresponding growth in their share in their own home markets, and they are now tending to supply entirely the increased demand for cotton goods of their own peoples, &

(15) Our foreign competitors are, moreover, increasing their *exports* of cotton manufactures at a faster rate than ourselves.

The following table places these facts beyond dispute.

AVERAGE ANNUAL EXPORTS OF COTTON MANUFACTURES.

(Excluding yarns.)

	1896-8 (3 years' average.)	1906-8 (3 years' average.)
Germany	£8,600,000	£19,300,000
Holland	2,600,000	4,400,000
Belgium	1,000,000	2,300,000
France	5,100,000	12,500,000
Switzerland	4,400,000	8,000,000
Italy	1,200,000	4,200,000
Austria	600,000	2,300,000
United States	3,800,000	7,700,000
Japan	400,000	1,800,000
	<hr/>	<hr/>
	£27,700,000	£62,500,000
Great Britain	£56,400,000	£88,300,000

While the increase for Great Britain between the periods shown has been £32,000,000, or less than 60 per cent., that for the other countries shown has been £35,000,000, or 125 per cent.

(16) It will be instructive to compare the balance of trade in cotton manufactures between ourselves and some of our competitors to-day with the position fifty years ago. This is done in the following table giving average annual figures for 1904-8 as compared with corresponding figures for 1854-8.

AVERAGE ANNUAL EXPORTS AND IMPORTS OF COTTON MANUFACTURES.*

(Excluding yarns.)

	1854-8.	1904-8.
Exports to Germany, Holland, Belgium, France, and United States	£5,369,000	£7,711,000
Imports from Germany, Holland, Belgium, France, and United States	455,000	5,101,000
Excess of exports over imports	£4,914,000	£2,610,000

Decrease in excess of exports compared with fifty years ago, £2,304,000.

These figures are very significant, for they show that Lancashire's former position of predominance in the sense in which our fathers and grandfathers understood it, has gone for ever, and that this country has now to fight for her own hand in the teeth of international competition which is growing in severity from day to day. What, then, are the causes of this remarkable change in the international situation as it affects Lancashire?

CROP SHORTAGE.

(17) One theory which has been advanced to explain the cause of Lancashire depression is the shortage of the cotton crop. But a close scrutiny of the facts shows clearly that the shortage of the cotton crop, far from being the cause of Lancashire's depression, is but a symptom of the new condition of affairs which is threatening such disaster to the interests of Lancashire. If the shortage of the cotton crop were the cause of the depression, other countries which use the same raw material should be

* In the earlier periods of the Board of Trade Summary of Imports Cotton Lace did not appear, so Cotton Lace has been excluded from these figures throughout.

suffering in like manner. The foregoing figures show, however, that they are not. If Lancashire can only secure 600,000 bales more American cotton than she did thirty years ago, while Europe can get in round numbers $1\frac{1}{2}$ million bales more, and the United States 3 million bales more, surely the point is that Lancashire does not get its proportionate share. The countries which do get their full share are "Protectionist," the one country which does not is "Free Trade."

FOREIGN TARIFFS.

(18) An examination of the tariffs of our foreign competitors and their effect upon Lancashire cotton goods shows where the real difficulties of the Lancashire trade are to be found, and demonstrates conclusively that Free Trade can offer no remedy for this evil which is bound before long to drive Lancashire cotton goods out of the tariff-protected markets of the world.

(19) There has been a constant increase in foreign tariffs, and it is noteworthy as proving the value of a tariff for purposes of negotiation that the cotton trade of Germany with the principal protected markets has grown at an enormously greater rate in the last decade than has that of the United Kingdom.

In fact, so rapid has been this growth that Germany occupies to-day practically the same position in those markets which the United Kingdom held in 1895, as is seen from the following figures of exports of cotton manufactures (excluding yarns) to Russia, Holland, Belgium, France, Portugal, Spain, Italy, Austria, Switzerland, and the United States from the United Kingdom and Germany respectively in 1895 and 1908, the latest year available.

	1895.	1908.
Exports from the United Kingdom	£6,909,000	£7,739,000
Exports from Germany	£3,968,000	£6,821,000

THE FAR EAST.

(20) While the foregoing figures show the position in the old markets of the Western world, Lancashire trade in the Far East is in its turn severely menaced by recent developments in the tariff policy of Japan, as outlined in the new tariff of that country. An agitation has arisen, too, in India for Protection under the term "Swadeshi," largely inspired by the feeling against the excise duties on cotton goods. This feeling has been intensified by the inquisitorial methods which have to be used in the collection of these duties. Tariff Reform offers the best means for allaying this movement, for a settlement could undoubtedly be made with India which would satisfy its people and its manufacturers while safeguarding the trade of Lancashire against the inroads of foreign competitors. The attack of Japan on our markets in India and the Far East, already serious, will soon be greatly intensified.

NEUTRAL MARKETS.

(21) Even Free Traders admit the menace to the cotton trade which has resulted from these ever-increasing foreign tariffs, but they take comfort to themselves in the thought that we shall, at any rate, retain our position in the neutral markets of the world. Experience shows, however, that countries which have safeguarded their own markets by tariffs have at the same time increased their exports to the rest of the world, and though the predominance of Lancashire in neutral markets is still very great in some branches of the cotton trade, there can be no doubt that the competitors of Lancashire using their home markets as a base, are more and more successfully extending their trade at our expense.

BRITISH EMPIRE MARKETS.

(22) Of all the tariff countries of the world, the only ones which have shown any disposition to favour British products are our own self-governing dominions. On their own initiative and without reciprocity they have given us

important tariff advantages, which have been especially beneficial to Lancashire. The increase in the importance of British Empire markets to Lancashire in the last fifty years is strikingly shown by the figures which follow:—

AVERAGE ANNUAL EXPORTS OF COTTON MANUFACTURES TO
BRITISH EMPIRE MARKETS (excluding Yarns).

1854-8.	1904-8.
£9,700,000.	£36,100,000.

The following figures show that our exports of cotton manufactures to Canada are two and a half times as great as they were before Preference was granted to us by that Dominion:—

AVERAGE ANNUAL EXPORTS OF COTTON MANUFACTURES TO
CANADA (excluding Yarns).

1894-8.	1904-8.
£721,000.	£1,766,000.

TARIFF REFORM AS A REMEDY.

(23) There are few Free Traders who would deny that the conditions of competition have altered for the worse so far as Lancashire is concerned, but, as was pointed out at the beginning of this report, it is urged by Free Traders that Tariff Reform, instead of alleviating these conditions, would increase the burden of the Lancashire producer and give additional advantages to his foreign competitors by increasing the cost of production and injuring him in those markets which are still open.

CHEAP PRODUCTION.

(24) Prominent among the chief factors which make for cheap production in the cotton trade of England are suitable climate, enabling all processes to be carried out under natural conditions year in and year out; the specialised skill and industry of those engaged in the

trade; the concentration of the trade and its sub-division into various distinct trades; the proximity of the machine shops; our insular position and comparative nearness to the seaboard; and our supplies of coal and iron. These factors are equally powerful whatever fiscal policy may be in force, and it is to these factors that Lancashire has been largely indebted for the prominent position which she has attained as a producer of cotton goods for the markets of the world. On the other hand, by leaving our doors open to free importation we have lost the enormous advantage of an assured home market, a potent factor in cheap production which all our foreign competitors possess.

(25) The direct factors which enter into cost of production in the cotton industry as apart from the above general considerations, comprise the cost of the raw cotton, other materials used, and the expenses attaching to wages, establishment charges, interest, and depreciation. An examination of these factors shows that the cost of production under Tariff Reform would not be greater, but less, than it is under Free Trade, and that, therefore, our foreign trade would be in no way diminished by the proposed change in our fiscal policy.

COST OF RAW COTTON.

(26) In the first place, Tariff Reform will not affect the price of raw cotton, for as that article is a raw material it will come in duty free. There can be no doubt, however, that if the Lancashire spinners and manufacturers have greater security and larger markets for the sale of their goods they will be in a position to buy cotton and cotton yarn with greater confidence, and to look further ahead than is possible under present conditions.

COST OF OTHER MATERIALS.

(27) As regards the other requisites of production, no suggestion of duties likely to hamper the export trade has been made by any responsible Tariff Reformer. The most complete and authoritative indication of the general scale

of duties to be adopted is to be found in the Report of the Tariff Commission, and the tariff scheme there suggested consists of low rates of duty, graduated according to the stage of manufacture. There is no suggestion of any duty higher than 10 per cent. Moreover, the tariffs of the great protected countries, like the old English tariffs, all contain provisions for rebates and other expedients to effectually safeguard the export trade. The experience of the past in our own country, and indeed in all modern countries with tariffs, is thus suggestive of ample expedients by which the dangers to the export trade which some opponents anticipate can be avoided, and there can be no doubt that such expedients will be adopted when, on the advent to power of a Tariff Reform Ministry, a complete scheme is put into force.

ESTABLISHMENT CHARGES.

(28) Establishment charges, selling commission, and guarantee would remain unaltered.

INTEREST AND DEPRECIATION.

(29) Interest and depreciation depend upon the cost of buildings, motive power, machinery, and equipment. A change in our fiscal system will not affect the charges in existing mills, as the first cost of these has already been incurred and the charges are now fixed. As regards any future extensions, we have it on the best authority in cotton mill construction that steelwork is the only article which is imported for such construction, and this only occasionally, when "dumping" is taking place, and that an additional cost of 10s. per ton. for steelwork would mean only £600 on a mill of 100,000 spindles, which, at 5 per cent. interest and $2\frac{1}{2}$ per cent. depreciation, would work out at only £45 per annum. We are not dependent on cheap imports for the remaining articles required, viz., cement, glass, paint, steam and gas piping, fans, boilers and fittings, economisers, engines, gearing and machines. We make all these things ourselves and also export them, so that the adoption of Tariff Reform would not affect

their cost. On the other hand, the large amount of short time which is now worked represents an increase in the cost which each spindle and loom involves.

WAGES.

(30). Wages are regulated, among other things, by the state of trade, efficiency of labour, and effective combination among the workers. With an assured home market the condition of the home trade would be better, because the price for the home production would not be unreasonably reduced by competition with the dumped goods of other countries on the one hand, or on the other by the cutting of prices, which has resulted from the competition at home of manufacturers who are finding foreign markets more and more closed to them. The home manufacturer would further benefit greatly, because some of the £8,000,000 of cotton goods now imported would be produced at home. At the same time, our export trade would be increased by an extension of our trade with our Colonies and India on preferential lines, as also in the other markets of the world, because we should have regained our power of negotiation without increasing our cost of production. The rate of wages would therefore not be less than at present, while the greater volume of trade would ensure the worker a larger yearly wage. The efficiency of labour and combination among the workers would not be affected by a change in fiscal policy. Indeed, these two causes are mainly responsible for the rate of wages and short legal working hours in Lancashire which are in force to-day, while the low wages and longer hours in some of the highly protected countries are due to absence of trade centralisation and consequent ineffective combination among the workers, conditions which are gradually altering under Protection to a state more nearly approximating to our own.

Trade unionism is particularly strong in Lancashire, and all branches of the cotton trade are organised. It is difficult to understand why the leaders of the cotton trade unions are in the main against Tariff Reform, for in their own interests they ought to support it, because trade unionism is the most marked form of protection, and it is

futile to protect the interests of the workpeople unless this protection includes the protection of the products of their labour.

COST OF LIVING UNDER TARIFF REFORM.

(31) The most definite assurances have been given by the responsible advocates of Tariff Reform that their policy would in no wise enhance the cost of living. So much has, however, been said with the object of masking the facts in regard to this matter that it may be well to emphasise the following points:—

(32) No evidence has been adduced to show that the proposed preferential duty upon wheat can possibly increase the price of that commodity by the amount of the duty, and the opening up of larger British areas of cultivation forms the best guarantee we could have for lower rather than higher prices.

(33) The cost of living under Tariff Reform may also be analysed as follows. All commodities used or consumed in this country are comprised under the following four classes:—

1. Raw material.
2. Other commodities, which we do not or cannot produce ourselves.
3. Other commodities, which we do produce ourselves, but not in sufficient quantities for our requirements.
4. Other commodities, which we produce on such a scale that we not only supply our own wants, but also export.

(34) In regard to these four classes respectively, it may be observed:—

1. Under Tariff Reform there would be no duties on raw material, and therefore no changes in price could arise from this cause.

2. Commodities which we do not or cannot produce ourselves, such as tea, sugar, tobacco, etc., are to-day made dearer by the full amount of the existing duties. These duties will, however, be lowered under Tariff Reform, and as a consequence the price of these commodities will fall.
3. As regards commodities which we produce, but not in sufficient quantities for our own wants, so that the balance has to be imported, it has been shown again and again that the duty in such cases is paid partly by the importer and partly by the consumer, and this in a proportion which varies according to the ratio of the imported to the home supply. If further the duty is low, experience suggests that the duty will be borne mainly by the foreigner, and that where any advance does take place, it will be but small, and therefore fully compensated by the reductions in the prices of the commodities referred to in class 2, which we do not or cannot produce ourselves.
4. Lastly, in regard to articles which we produce in such quantities that we supply not only our own wants, but also export, it is a matter of experience in every country that, if the tariff is low, home competition tends to prevent the price from rising. If the producer for the home market attempts to raise his price, he is at once met with competition from the producer for export, and the attempt fails.

(35) Thus the prices of commodities will not be enhanced under Tariff Reform, and the cost of living will not be increased. On the contrary, a larger yearly wage will be earned in the cotton trade, and the standard of living among cotton operatives will therefore be raised.

(36) We would emphasise the fact that it is only with a tariff of their own that British Ministers can effectively negotiate for the lowering of hostile foreign tariffs, and thereby enable our Lancashire manufacturers to regain their position in many markets now practically closed to them.

Under our present fiscal system British interests are the last to be considered by tariff countries, for although the British market is indispensable to other countries, our representatives are nevertheless powerless in the absence of a tariff to secure fair terms for our exported manufactures. They are, moreover, unable to respond to the cordial offers of reciprocity which have come to us from every one of the self-governing Dominions of the Empire.

(37) Finally, we assert once more that Tariff Reform and Colonial Preference will be of inestimable benefit to the Lancashire cotton trade by enlarging our present markets and re-opening many already closed, thus providing more constant employment for capital and labour, while adding nothing to the cost of production or to the cost of living of those now engaged in this great industry.

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